

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6218

BILL NUMBER: HB 1018

NOTE PREPARED: Apr 16, 2003

BILL AMENDED: Mar 25, 2003

SUBJECT: Uniform Innkeeper's Tax.

FIRST AUTHOR: Rep. Frenz

FIRST SPONSOR: Sen. Waterman

BILL STATUS: Enrolled

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: (Amended) The bill repeals the law creating the Knox County Innkeeper's Tax. The bill requires Knox County to continue imposing an Innkeeper's Tax in conformity with the provisions of the uniform innkeeper's tax law.

Effective Date: July 1, 2003.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: (Revised) *Uniform Innkeeper's Tax:* Under the bill, Knox County would be able to continue to collect the Innkeeper's Tax under the Uniform Innkeeper's Tax Law (Uniform Law.) Under current law, members of the local tourism commission would be required to operate under the Uniform Law, including no salary paid to members except reimbursement for necessary expenses incurred in their duty. Money received by the tax would only be used for the promotion of convention, visitors, and tourism in the County under the Uniform Law.

Background: The Knox County Innkeeper's Tax is collected locally by the county treasurer. Revenues are deposited into the Tourism Promotion Fund.

Explanation of Local Revenues: (Revised) *Uniform Innkeeper's Tax:* Unless a change in the County's Innkeeper's Tax rate occurs under the Uniform Law by local ordinance, there would be no increase in local revenues under this proposal. The tax rate under the Uniform County Innkeeper's Tax may not exceed 5%.

Background: Knox County currently imposes the Innkeeper's Tax at a rate of 3%. The amount of revenue collected in FY 2002 was \$116,790.

State Agencies Affected:

Local Agencies Affected: Knox County Treasurer.

Information Sources: Knox County Treasurer's Office, (812) 885-2506.

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